

REMARKS

Claims 1-33 and 40-45 are pending in the application. Claims 34-39 and 46 have been cancelled. Applicants respectfully request reconsideration of the rejections set forth in the Office Action dated February 12, 2007 in light of the following remarks.

Allowable Subject Matter

Applicants gratefully acknowledge indication of allowability of claims 1-22, 40-43 and 45.

Rejections Under 35 U.S.C. §112

Claims 34-39 were rejected Under 35 U.S.C. §112, first paragraph. Claims 34-39 have been cancelled to expedite allowance without prejudice to prosecution in this patent application or another. Withdrawal of the rejections under 35 USC §112 is respectfully requested.

Rejections Under 35 U.S.C. §101

Claims 34-39, 44 and 46 were rejected under 35 U.S.C. 101 for containing non-statutory subject matter.

Claims 34-39 and 46 have been cancelled without prejudice to prosecution in this or another patent application.

With respect to claim 44, the claim recites “A system for encoding video data”. The Specification on page 11 lines 18-21 and page 22 lines 3-14 states that systems described in the specification may be implemented in hardware. **Claim 44 may thus include hardware, which represents statutory subject matter as a new and useful machine per 35 U.S.C. 101**

The Office Action stated that claim 44 was analogous to claim 46. Applicants disagree; claim 44 recites “A **system** for encoding video data”, claim 46 recited “A **computer readable medium** including instructions for decoding video data”.

The Office Action also points to page 22 lines 3-14 and page 24 lines 17-27 as evidence of non-statutory subject matter for claim 44. However, page 22 lines 3-14 describes the system as software and/or hardware, which (at least) represents statutory subject matter as a new and useful machine, as described above. Page 24 lines 17-27 describe program instructions, which refer to cancelled claims 34 and 46.

In addition, the system for encoding video data of claim 44 has use. **Utility** mentioned on pages 1 and 2 of the Specification includes: “compression is an approach that has been used to make digital video images more transportable. Digital video compression schemes allow digitized video frames to be represented digitally in much more efficient manner. Compression of digital video makes it practical to transmit the compressed signal using digital channels at a fraction of the bandwidth required to transmit the original signal without compression. International standards have been created for video compression schemes.”

For at least these reasons, independent claim 44 includes statutory subject matter under 35 U.S.C. 101.

Withdrawal of the rejections under 35 USC §101 is therefore respectfully requested.

Applicants believe that all pending claims are allowable and respectfully requests a Notice of Allowance for this application from the Examiner. Should the Examiner believe that a telephone conference would expedite the prosecution of this application, the undersigned can be reached at the telephone number set out below.

Respectfully submitted,
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